

## Yuriy Ryzhenkov Among Top-10 Wartime CEOs of Ukraine

The war is testing not only the state and the army, but also companies and their leaders, dsnews.ua writes in its Top-10 Wartime CEOs article.



This spring marked a crucial moment. According to a NBU survey, the Business Activity Expectations Index has climbed into positive territory for the first time since October 2021. In April 2023, the index rose to 51.5 points, crossing the neutral mark of 50. This means that businesses are finally expecting production growth.

As a country, we have gone through the most difficult year and the most difficult winter. Finally, spring brought a revival of business activity and added optimism in future expectations. However, serious security and economic challenges remain for the management of any company in Ukraine. In the aforementioned NBU Business Activity Expectations Index, trade companies gave the most positive assessments of their performance and prospects, while industrial companies were more cautiously optimistic, and service businesses, especially construction, were still negative about their prospects. The struggle continues.

No matter how events unfold, the role of CEO, the first person in a business, in a wartime can only be compared to that of a captain in a storm. And those who have led their company and team through the first 15 months of the war deserve to be recognised.

The publication selected 10 CEOs for the rating based on their managerial competencies, knowledge of their business and industry, education, experience, authority in the team and, of course, the financial performance of the company they lead. Given the peculiarities of the period, dsnews.ua focused on the ability to overcome wartime challenges. The essential set of achievements and priorities of a successful leader in 2022 and 2023 includes keeping the company in the market, successful anti-crisis solutions, job retention and care for employees.

The publication cites the cases of top managers from various industries. Among them is the case of Metinvest's CEO.

### [Restructure the business, keep the team. How Metinvest remained a steel pillar of the country](#)

With the start of the full-scale invasion, Metinvest Group has completely transformed the operating model of its businesses. Key decisions made by the top management helped to stabilise production volumes, rebuild logistics and generate sufficient cash flow to satisfy the obligations. This, in particular, allowed the Group's management to take care of its employees and retain key employees and a capable team.

In 2022, Metinvest Group, like the rest of Ukraine, faced a challenging test to operating in conditions of the full-scale war. Yuriy Ryzhenkov, who is the CEO of the company for almost 10 years, believes that it was teamwork, adaptability and ability to react quickly to events that helped Metinvest cope with the wartime challenges.

Two largest steel plants of the Group, Ilyich Iron and Steel Works and Azovstal in Mariupol, as well as the city

itself, have been occupied by russians. Consequently, the company has developed an emergency response algorithm and implemented certain management practices. "Thanks to them, the company continues to operate, retain jobs, pay taxes, support the economy, and help the army and Ukrainians. Metinvest remains the pillar of the country," the Group's CEO says.

#### **New logistics and operating model**

Already on the first day of the war, the top management decided to suspend operations in Mariupol, as well as at several other enterprises, without causing any harm to the environment, and to increase the supply of bomb shelters with everything necessary for a long stay of people: water, food, medicines, and communication.

Following the shutdown of plants in Mariupol and Avdiivka and the disruption of permanent process and logistical chains, Metinvest had to completely restructure its business. The Black Sea ports through which the company used to export products were blocked by russians. So Metinvest built a new logistics system from scratch - now most shipments to Europe are carried out by rail and through the ports in Romania and Poland.

The company also underwent organisational changes: a Commercial Directorate was established on the basis of the Sales Directorate and the Logistics and Procurement Directorate. This also helped to focus on overcoming the consequences of the war.

At the beginning of the invasion, Metinvest's assets abroad depended on raw materials of Mariupol plants, mainly Azovstal. The company has reviewed its operating model, and at present its rolling plants in Italy and the UK operate autonomously using raw materials from local producers, while the Bulgarian asset receives semi-finished products from Kamet-Steel. The Group also found alternative buyers for products of coal mines in the United States, which previously supplied coal to Ukrainian enterprises. Such solutions and constant interaction with customers have enabled a significant increase in capacity utilisation of foreign assets.

#### **Own generation of electricity and imports**

To mitigate the impact of power outages, Metinvest took care of its own generation and additional equipment to support the operations of its enterprises. In February 2023, the company imported electricity from the European Union as a crisis solution that allowed enterprises to get through a difficult period in the energy sector. The Group is also considering the installation of renewable energy sources as a back-up option in case of power outages.

#### **Experience and results**

Despite the constant threat of enemy shelling, Ukrainian assets of Metinvest continue to operate at different levels of capacity utilisation, depending on security, logistics, energy, economic and other factors.

Diversification of the value chain and logistics helped the Group to overcome the challenges of the war and survive. Indeed, for the company, the war actually started in 2014, and the experience of the first war years played a key role in addressing the critical challenges last year. "As production volumes stabilise and with the help of new logistics, we can generate enough funds to cover our debt service operations," Yuriy Ryzhenkov says.

#### **The main thing is the team**

Retaining the team is the main goal of the company since the beginning of the war. Metinvest helped to evacuate employees from Mariupol, provided them with shelter, food, medical and psychological support. It also offered employees retraining and employment at its other assets. The Metinvest's CEO believes that it is adaptability for employees - the desire to learn new professions and find opportunities to work in any circumstances - that comes to the fore during the war. This allows businesses to take care of production, help employees, the army and Ukrainians in general.

#### **Steel Front and Steel Dream**

That is why Metinvest joined Rinat Akhmetov's Steel Front military initiative, and as a part of this initiative, it produces steel products for the defenders of Ukraine, and became one of the largest donors to the Ukrainian army. At the same time, the Saving Lives humanitarian initiative of the Group provides Ukrainians with food and basic necessities, medical professionals with medicines and equipment, and provides prosthetics for injured veterans of the Armed Forces of Ukraine and company employees, as well as psychological rehabilitation for women and children. Since 24 February 2022, the company has allocated over UAH 3.7 billion in humanitarian and military aid to Ukraine, including over UAH 1.8 billion for the army.

The Group is now ready to supply steel to rebuild destroyed infrastructure and housing. It has developed a concept for rebuilding the country called Steel Dream, a set of ready-made construction solutions that can be adapted to the needs of specific communities.

And after the liberation of Mariupol, Metinvest dreams to restore steel plants there by building carbon-neutral steel production facilities. According to Yuriy Ryzhenkov, DRI products can become a new opportunity for the Ukrainian steel industry, given the development of "green" steel in Europe. "The fact that Metinvest is able to produce DRI products and can increase their volume opens up new European markets for us. We are currently

looking for customers in Sweden, Germany and Austria, where we have never supplied iron ore products before," the CEO of the company says.

Metinvest Group believes that, in any case, one of the most important factors that will help to restore the mining and metallurgical sector, and thus the country's economy, is the opening of Ukrainian ports for export. This will create the conditions for a rapid recovery in industrial production and Ukraine's GDP, retain hundreds of thousands of jobs and generate billions of hryvnias in taxes.

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